

RECOVERY FUNDS AT WORK IN OHIO'S SIXTH DISTRICT

Ohio's Sixth District has Been Allocated More Than \$45 Million Under New Recovery Zone Bond Program

New program will stimulate investment in hard-hit economic Recovery Zones

WASHINGTON, DC — Congressman Charlie Wilson (OH-6) today announced that the U.S. Treasury Department has posted that \$45,477,000 in bond authority will be immediately available for local governments in Ohio's Sixth Congressional District under the Recovery Zone Bonds program. Recovery Zone Bonds, created under the American Recovery and Reinvestment Act (ARRA) (P.L. 111-5), are targeted to areas particularly affected by significant job loss and will help State and local governments obtain capital for much needed economic development projects.

"These bonds will help in so many ways," Wilson said. "This bond program will make it easier for counties and private businesses to borrow money at a better rate. The counties and businesses that make up my district can then use that money to improve infrastructure, increase job training and help families struggling with this tough economy."

According to details released by the Treasury Department today, the program includes two new types of Recovery Zone Bonds –Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds.

Recovery Zone Economic Development Bonds are another type of taxable Build America Bond that allow State and local governments to obtain lower borrowing costs through a new direct federal payment subsidy, equal to 45 percent of the interest cost. The funds will finance a broad range of qualified economic development projects, such as job training and educational programs. Ohio's Sixth Congressional District is eligible for \$18,191,000 in Recovery Zone Economic Development Bonds.

Recovery Zone Facility Bonds are tax-exempt private activity bonds that can be utilized by private businesses in designated areas for a range of projects; however the bonds cannot be used for multi-family housing. Ohio's Sixth Congressional District is eligible for \$27,286,000 in Recovery Zone Facility Bonds. Private businesses will apply to the county receiving the bonds.

All twelve of the counties that make up the Sixth District have been allocated Recovery Zone Bonds:

County	Recovery Zone Economic Development Fund	Recovery Zone Facility Bond
Athens	243,000	364,000
Belmont	262,000	394,000
Columbiana	3,518,000	5,277,000
Gallia	1,171,000	1,756,000
Jefferson	488,000	732,000
Lawrence	1,904,000	2,856,000
Mahoning	6,971,000	10,456,000
Meigs	728,000	1,092,000
Monroe	268,000	402,000
Noble	621,000	931,000
Scioto	1,413,000	2,120,000
Washington	604,000	906,000
total	18,191,000	27,286,000

“Creating the conditions for economic recovery requires addressing the challenges facing state and local governments,” said Treasury Secretary Tim Geithner. “State budgets have been scaled back and local services cut at a time when they are most needed. Turning things around requires innovative strategies, which is what the Recovery Act has provided in the form of the Recovery Zone Bonds. The innovative financing tools provided by Recovery Zone Bonds will help state and local governments obtain the financing needed to revitalize our communities.”

“Counties will be working on specific plans to use these bonds,” Wilson said. “In addition, I’m told that the Ohio Department of Development is reviewing the IRS guidance and devising a plan to use any Recovery Zone Bond allocations that may be waived by counties that don’t expect to use them. I hope all 12 of the counties that make up my district use all of the bonds available to them for local projects that will directly benefit our citizens.”

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